



# ***INSIDE REGION 2***

Fall 2004

U.S. Small Business Administration  
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New York, New Jersey, Puerto Rico/USVI



## **News from Region 2**

### **Administrator Barreto & Staples Founder Hold NJ Town Forum**



**Above:** SBA Administrator Hector Barreto (center) addresses small business owners at the SBA/Staples Town Hall Forum in NJ.

**O**ver 100 New Jersey small business owners joined the U.S. Small Business Administration and Staples, Inc. for a special town hall forum on September 22, 2004 on "Small Business Success: Accessing Capital and Government Contracts."

SBA Administrator Hector V. Barreto and Staples founder Thomas Stemberg led the discussion with some of New Jersey's top business leaders on assistance available from the SBA and sparking creative business solutions in a rapidly changing environment. Stemberg created the office superstore concept with early SBA financial backing.

"The SBA has numerous loan programs and training opportunities and it is our job to make people aware of them," Barreto said. "Capital and contracts are the lifeblood of small businesses. Small businesses participating in this event have the opportunity to hear from the experts on how to take advantage of our loan programs and learn how to secure lucrative contracts."

Administrator Barreto was joined by Daniel H. Jara, president of the Hispanic Chamber of Commerce of New Jersey; Assemblyman Guy R. Gregg; Ranjini Poddar, president of Artech Information Systems L.L.C.; Lou Fernandez, vice president of Imperial Construction Group, Inc., and Sue Fitzpatrick, president of Fitzpatrick Printing & Design, Inc. George Taber, president of NJBIZ, served as the forum's moderator.

Panel members took part in a question and answer session with the audience at the end of the forum.

### **Region 2 Lending Ahead of '03**

**R**egional Administrator Michael Pappas has announced that with one month remaining in fiscal year 2004, Region 2 is already surpassing its FY 2003's lending record by nearly 1,000 loans.  
(Continued on page two)

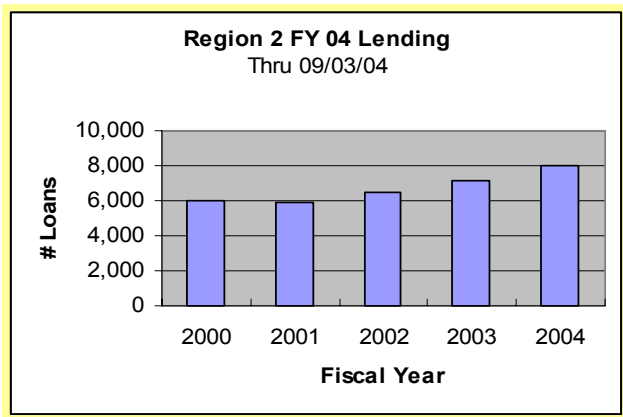
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Through September 3, 2004, Region 2 district offices have approved 8,029 loans totaling \$1.32 billion. This represents a 13 percent increase in loan numbers and an 8.5 percent increase in loan dollars over FY 2003, itself a record-setting year. "As I pledged last year, Region 2 has increased its marketing and outreach efforts in all locations served by our district offices. (Continued on Page Two)

It is clear we are helping more small businesses than ever before in Region 2," Pappas said. "I commend our lending partners for meeting the credit and capital needs of small businesses, and am grateful to our technical assistance partners for their work in providing vital business counseling to entrepreneurs," Pappas added."



**Above:** Region 2 lending has already exceeded FY 03 levels with one month still remaining in FY 04.

## Administrator Barreto Visits PR/USVI

**A**dministrator Hector Barreto visited Puerto Rico & the U.S. Virgin Islands recently to participate in a series of events aimed at increasing small business lending in the district. Administrator Barreto led a Lenders/Business Roundtable hosted by the Puerto Rico Bankers Association and the Puerto Rico Chamber of Commerce. He also served as keynote speaker at the United Retailers Association annual convention, where he addressed more than 500 individuals, including entrepreneurs and state and foreign government officials--on the impact Hispanic small businesses have on the economy.

In the Virgin Islands, Administrator Barreto had the opportunity to lead a Lenders Roundtable and meet with government officials to discuss the economic development of the islands and SBA's role in helping small businesses succeed.

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**Above:** Administrator Barreto leads Lenders/Business Roundtable in San Juan, Puerto Rico this past July.

## Syracuse SCORE Celebrates 40 Years

**S**yracuse SCORE Chapter #98 recently celebrated its 40<sup>th</sup> anniversary in providing volunteer service to the Syracuse-area small business community.

Dick Hannis, SCORE's Region II district director, praised Dick Fountain, the outgoing Syracuse chapter chairperson, for his outstanding efforts this past year. Volunteers have counseled and trained 459 entrepreneurs so far this year, representing a 12 percent increase over the same period last year. The SCORE chapter has increased the number of clients counseled by 129, for a 76% increase in counseling alone.



**Above:** SBA Syracuse District Director BJ Paprocki, Dave Cordeau, president, Greater Syracuse Chamber of Commerce, and outgoing SCORE Chapter #98 President, Dick Fountain.

Dick Fountain recognized the Greater Syracuse Chamber of Commerce President, David Cordeau for his strong support

of SCORE. The chamber provides a state-of-the-art meeting room for SCORE pre-business workshops. The Syracuse chapter of SCORE is located at 401 South Salina Street and serves Onondaga, Oswego, Cortland and Madison counties. To schedule a counseling session or obtain information about a future workshop call 315-471-9393, Ext 221 for Onondaga, Madison and Cortland counties and 315-312-3492 for Oswego county. Visit Syracuse SCORE on the Web ([www.swns.org/SCORE](http://www.swns.org/SCORE)).

## NJ Biz Owner Named Regional Minority Biz Person of the Year

**T**om Vazquez, CEO and founder of T.M. Enterprises of Wharton has been named the U.S. Small Business Administration's 2004 Region 2 Minority Small Business Person of the Year. Mr. Vazquez and his wife Mary Ann started their janitorial company in 1978 from the kitchen table of their home.



**Above:** SBA District Director James Kocsi (left) presents the Region 2 Minority Small Business Year of the Year award to Tom Vazquez and his wife Mary Ann (2<sup>nd</sup> and 3<sup>rd</sup> from left), as Major General Richard S. Colt, Commanding Officer of the 77th Reserve Center, and SBA Assistant District Director for 8(a) Business Development Richard Zilg, look on.

With the help of SBA's 8(a) Program, Mr. Vazquez has grown his company from six employees to 70 employees. In addition to its janitorial services, T.M. Enterprises now provides its customers with construction and landscaping services. Since entering the 8(a) Program in 1997, the company has received 71 8(a) contracts for \$12.6 million, and now has annual sales in excess of \$5 million.

"I am honored to be named SBA's 2004 New Jersey Minority Small Business Person of the Year," said Vazquez. "Right now I'm living the SBA dream. Our

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company would never be where it is today without the SBA 8(a) Program."

"Tom Vazquez is a true SBA success story and a prime example how the SBA can help a small business succeed," said SBA District Director James Kocsi. "The SBA is committed to helping minority small business owners succeed more than ever."

## Buffalo Biz Man Named District 8(a) Graduate of the Year

**E**dward O. Watts, P.E., president of Watts Engineering & Architecture, P.C. of Buffalo, NY, won the Buffalo district's 8(a) Graduate of the Year award.



**Above & right:** Edward O. Watts, P.E., President of Watts Engineering & Architecture, P.C., and his firm's building.

Mr. Watts' company was in the 8(a) Business Development Program for nine years and graduated in July 1998. The business was started in 1986 and currently employs 47 employees. The firm had contracts with the U.S. Postal Service, Department of Veterans Affairs, U.S. Air Force and the U.S. General Services Administration. Watts Engineering & Architecture Co., P.C. is primarily a civil, environmental, mechanical and electrical engineering firm specializing in transportation, structural, HVAC, plumbing and fire protection engineering.

## NJ Women's Business Center Receives Grant

**T**he New Jersey Women's Business Center has received a \$75,150.00 sustainability grant from the SBA to continue its education and entrepreneurial training programs for New Jersey women entrepreneurs. The WBC is run by the New Jersey Association of Women's Business Owners. For more information, visit its web site at



<http://www.njawbo.org/html/wbc.html> or call (609) 581-2121.

## SBW Nominations due Dec 3rd

### **S**mall Business Week nominations are due in SBA district nominations by **December 3, 2004.**

Any individual or organization dedicated to the support of the small business community in the United States, including, but not limited to, trade and professional associations and business organizations, may submit nominations for Small Business Person awards, Small Business Advocate awards and Special Achievement Awards.

Nominations must be typewritten only on one side of 8.5"x11 white stationary, collated and secured in a 1.5" binder. A complete nomination package should include:

1. A single cover page with – nominees full name, title, business and home address with telephone numbers (please include fax number also) – the award for which the nomination is being made – the nominators name, title, place of business, business address, and telephone number – one paragraph description of the nominee's business.
2. A complete SBA form 898 (biographical data form) available from the SBA office.
3. An original black and white photo of the nominee, either 8"x10" or 5"x7" (no photocopies please).
4. A nomination letter, not to exceed three pages.
5. A brief biography of the nominee, not to exceed two pages.
6. A business profile, not to exceed two pages.
7. A concise statement of the qualities and performance that merit the award, not to exceed four pages.
8. A financial statement of the nominee, not to exceed 12 pages, on 8.5"x11" paper (required only for Small Business Person of the Year, Exporter of the Year, Entrepreneurial Success Award and Young Entrepreneur of the Year).
9. Any other support documentation deemed significant by the nominator, including news clips, letters of recommendation, and other evidence of the appropriateness of the nomination.

National Small Business Week Small business week will be held in Washington, D.C., April 25-30, at the Washington Hilton.

## District Highlights

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**Syracuse:** Early in this fiscal year, staff in the Syracuse district developed a marketing initiative, "**Small Business – Growing Opportunities**," geared toward businesses in rural areas. The initiative has taken off, as have loans to rural businesses. Loans to businesses in rural areas have increased by 107 loans or 30% for a total of **472 guaranteed loans** as of the end of the third quarter. SBA staff and our resource partners have trained over **800 entrepreneurs** from rural areas in internet marketing, SBA's programs and services, procurement, HUBZones, advertising and marketing, business planning and commercial loan packaging.

The rural economic development initiative included training events for small business owners in rural areas. SBA coordinated training events in Watertown, Auburn, Saranac Lake, Syracuse, Albany, Cortland and Binghamton. Additionally, Syracuse SBA employees targeted lenders in rural areas for training, express programs and marketing visits that reinforced the value of SBA's programs for their customers. Staff conducted over 258 marketing visits to lenders, and trained two new SBAExpress lenders.

**New York: Administrator Hector Barreto** visited the New York Board of Trade in NYC on September 22<sup>nd</sup>... Associate Deputy Administrator **Ron Bew**, along with NY District Director **José Sifontes** will meet with top officials at Citibank on September 30th in NYC...José will be the keynote speaker at the **SCORE Poughkeepsie** Chapter #40th anniversary celebration in Poughkeepsie, NY on September 29<sup>th</sup>

**Buffalo:** Congratulations to **Victoria Reynolds** on her recent promotion to Rochester Branch Manager. Victoria previously served as a loan officer in the Rochester office...On September 30, 2004, Rochester Branch Manager Victoria Reynolds will participate in a panel discussion on "Partnering with the Federal Government," at the **2004 Building Healthy and Sustainable Neighborhoods** conference hosted by Roberts Wesleyan College Institute for Social Entrepreneurship. For more information, call the Rochester Branch Office at (585) 263-6700...A meeting of the **Buffalo District Advisory Council** will be held at 10:00 a.m. on October 20, 2004 at the Buffalo Club... Plans are underway for the **9<sup>th</sup> Annual Straight Talk Seminar** to be held on January 22, 2005 at Erie Community College City Campus.

## News From Washington

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# SBA and U.S. Hispanic Chamber of Commerce Join Forces

**T**he SBA has just signed a strategic alliance memorandum with the U.S. Hispanic Chamber of Commerce during the chamber's 25th anniversary convention and business exposition in Austin, TX. The agreement is an effort to make more resources, education and training available for the long-term success of Hispanic small businesses across the country.

"The SBA is very pleased to join forces with the U.S. Hispanic Chamber of Commerce and its members," SBA Administrator Hector V. Barreto said. "One of the priorities of President Bush and his administration is to create an environment in which small businesses can grow, flourish and create jobs."

The SBA and the USHCC have agreed to collaborate on increasing lending to Hispanic small businesses; increase awareness of SBA programs and services among Hispanic-owned small businesses; increase participation of Hispanic-owned, Hispanic women-owned, Hispanic veteran-owned and Hispanic service disabled small businesses in SBA's procurement programs, and increased contract opportunities; increase trade opportunities for small Hispanic-owned businesses; explore the possibility of conducting cosponsored training activities; and, invite SBA's participating lenders and resource partners to participate in joint activities. The agreement will remain in force through December 31, 2006.

## 8(a) Program Goes Online

**A** new electronic online application has made it easier, faster and less expensive for small companies to apply for 8(a) business development and small disadvantaged business certification directly from SBA's Web site.

"The newly launched 8(a) on-line application will allow small businesses to apply for 8(a) and SDB certification

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directly from the SBA's Web site, and ensure more small businesses are able to successfully compete for federal contracting opportunities," said SBA Administrator Hector Barreto. "This user-friendly application represents another accomplishment of this Administration in developing e-Gov tools that make access to information less cumbersome for small business."

The application is 100 percent Web-based, allowing applicants to apply without downloading any software or plug-ins, replacing a four-page written application that required substantial supporting documentation. For more information, visit the SBA Web site at [www.sba.gov](http://www.sba.gov).

## SBA Streamlines 504 Loan Program

**T**he SBA's efforts to streamline its loan processing operations by centralizing the task in a single center have been a major success, allowing the agency to commit more of its employees in its field office network to working directly with small business clients across the country, SBA Administrator Hector Barreto has recently announced.

The centralization of processing functions for the Certified Development Company, or 504, loan program, begun as a pilot 17 months ago in Sacramento, allows the agency to process more loans with fewer staff in less time.

As of Aug. 31, the 504 Sacramento Processing Center has processed more than 3,284 loan applications and approved more than \$1 billion, with an average processing time of about two days, easily surpassing the original goal of six days.

## New Overtime Rules in Effect for Small Biz

**N**ew overtime rules have been issued by the U.S. Department of Labor to simplify regulations for small businesses.

The new rules guarantee overtime protections to 6.7 million workers earning \$23,660 per year or less. About 1.3 million salaried white collar workers will gain up to \$375 million in additional earnings per year. Another 5.4 million salaried workers will get a guarantee of overtime rights.

For additional details on the new overtime rules, please visit [www.dol.gov](http://www.dol.gov)

# Business Matchmaking Brings Contract Opportunities to Small Business

*The following is an op-ed by Michael Pappas.*

For small businesses, there's never been a better time to do business with large corporations and government agencies. Each year, the federal government spends more than \$240 billion for products and services. The U.S. Small Business Administration works to ensure that small businesses receive their fair share of the federal procurement pie. In fiscal year 2003, small businesses received \$65.5 billion in prime contract dollars, setting a new record for small business prime contracting.

During the past year, the SBA and HP created a partnership called Business Matchmaking – the largest small business initiative in SBA history -- that brings small businesses and federal, state and local government agencies and large corporations together to identify contract opportunities for small businesses. Over the past year, Business Matchmaking events from Anaheim, Calif. to Orlando, Fla. have resulted in more than 15,000 meetings between small business owners and procurement officials, resulting in millions of dollars in contracts awarded.

Most recently, hundreds of small businesses gathered in Philadelphia, PA this August at the Eastern Region Business Matchmaking event where more than 150 small businesses from New York State and New Jersey explored contracting opportunities with federal agencies and large businesses.

Small businesses employ nearly 56 million workers and account for more than two-thirds of all jobs in this country, and the millions of dollars in actual contracts available through the Business Matchmaking initiative represent opportunity for real economic growth and job creation.

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Matchmaking a “real program with a real mission – to give small businesses around the U.S. a chance to generate revenue by doing business with government agencies and large corporations.”

President George W. Bush believes that government contracting should not exclude small businesses in the

bidding process. The President supports several proposals to improve the access of small businesses to government contracts including: 1) ensure that government contracts are open to all small businesses that can supply the government's needs; 2) Avoid unnecessary contract bundling. Small businesses bring innovation and lower costs to the government. When contracts are bundled together, small businesses are at a disadvantage of they are not capable of supplying all the contracts; 3) Streamline the appeals process for small businesses that contract with the federal government. Small businesses that work with the government should not have to face a costly, complicated and burdensome appeals process when they are in a dispute with the government over a contract.

The U.S. Small Business Administration will continue to enhance its government contracting programs to ensure greater access to the federal marketplace by small businesses. Business Matchmaking will continue to tour across the United States through 2004 and 2005. For more information on upcoming Business Matchmaking events, please visit <http://www.businessmatchmaking.com>

*Michael Pappas is regional administrator of the U.S. Small Business Administration, with jurisdiction over Agency activities in New York State, New Jersey, Puerto Rico and the U.S. Virgin Islands.*

# Relieve Small Businesses of Regulatory Demons

*The following is an op-ed by Alan Steinberg.*

The legendary Jersey Devil is a creature that has haunted inhabitants of and visitors to the Pine Barrens. Of course, the Jersey Devil is a myth, despite numerous claims of its authenticity.

There is, however, a real-life devil that has hindered small-business creation, development and expansion in New Jersey the last four decades. This creature is the ever-growing burden of federal and state regulation of all types, including environmental, labor and financial regulation.

Per employee, all these government mandates have a disproportionate impact on small business. Fortunately, a bill in the state Senate and Assembly, sponsored by both Republicans and Democrats, would drive a stake through the heart of the New Jersey regulatory devil. It is S1166/A255, the amended New Jersey Regulatory Flexibility Act.

This legislation would require state regulators to consider the impact on small business before adopting or readopting regulations.

Additionally, the bill would require a more focused regulatory review; namely, when an agency is developing rules, it should consider consolidation or simplification of reporting compliance to minimize the impact on small business. The same would happen when a rule is proposed for re-adoption.

Most significant, the legislation would grant small businesses the right to go to state court to compel agencies to comply with the federal Regulatory Flexibility Act. This would ensure that state agencies do not ignore the legitimate interests of small businesses in the regulatory process.

This legislation is based on a model crafted by the Office of Advocacy of the U.S. Small Business Administration. The model legislation, in turn, is based on the Regulatory Flexibility Act.

The Office of Advocacy is charged with ensuring that federal agencies comply with the Regulatory Flexibility Act, and its efforts have saved small business \$31 billion in regulatory costs during the last three years.

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The office's research shows that small business is the engine of economic growth in New Jersey. In 2000, small businesses employed 51 percent of the state's non-farm workers and created 73 percent of the net new non-farm jobs. Both Democrats and Republicans recognize the urgency of regulatory relief for New Jersey entrepreneurs so that they may continue to create jobs.

Accordingly, this bill is sponsored by Nia Gill (D., Essex) and Joe Kyrillos (R., Middletown) in the Senate and by Majority Leader Joe Roberts (D., Camden) and Republican conference leader Guy Gregg (R., Morris) in the Assembly.

The Senate passed the legislation in June 2003, but the Assembly, which held only two sessions after June 30, 2003, never considered it.

Given the bipartisan sponsorship and support, I am hopeful that both houses will pass the bill in the 2004-05 session. The outcome of the bill, however, will rest with Gov. McGreevey.

If he signs the amended New Jersey Regulatory Flexibility Act, he will help free small businessmen and businesswomen from the threat of the regulatory devil and create a small-business-friendly climate in the Garden State.

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*Alan J. Steinberg is a regional advocate for the Small Business Administration's Office of Advocacy, which examines the role and status of small business in the economy and independently represents the views of small business.*

## Inside Region 2

**Michael Pappas, Regional Administrator  
Region 2**

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*Copies of **Inside Region 2** are distributed free of charge to SBA resource partners, service providers, small business owners and other advocates of small business. To request additional copies, or to be added to our mailing list, please contact Diana Parra at [diana.parra@sba.gov](mailto:diana.parra@sba.gov).*